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RUEHMN/AMEMBASSY MONTEVIDEO 6796
RUEHSG/AMEMBASSY SANTIAGO 6139
RUEHRC/AMCONSUL RECIFE 6374
RUEHRI/AMCONSUL RIO DE JANEIRO 4039
RUEHSO/AMCONSUL SAO PAULO 9437
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SUBJECT: THREE NEW MINISTERS SWORN IN; CABINET SHUFFLE
ALMOST FINISHED

REF: BRASILIA 457

¶1. Three new cabinet ministers were sworn in on March 23, nearly completing the long-awaited cabinet shuffle of President Luiz Inacio Lula da Silva's second term (reftel). Lula has also selected Miguel Jorge, a banker, to be the new Minister of Development, Industry and Trade. He could be sworn in next week.

¶2. Walfrido dos Mares Guia, of the Brazilian Labor Party (PTB), is the new Minister of Institutional Relations (or "political coordination"). Mares Guia will manage the Planalto Palace's relationship with Congress, parties, and state governments in this key cabinet job. Mares Guia is the immediate past Tourism Minister.

¶3. Marta Suplicy, of the Workers Party (PT), is the new Minister of Tourism. She is a longtime PT leader and former mayor of Sao Paulo. She is a possible 2008 Sao Paulo mayoral candidate and 2010 presidential candidate.

¶4. Reinhold Stephanes, of the Brazilian Democratic Movement Party (PMDB), is the new Minister of Agriculture. Stephanes took leave as a Federal Deputy from Parana state to assume the post.

¶5. Media reports say Miguel Jorge, an executive with the Santander Group, has accepted Lula's request to become the new Minister of Development, Industry and Trade. He could be sworn in next week.

¶6. The cabinet shuffle now appears to be almost finished. It is widely expected that Lula will also replace Waldir Pires, the Minister of Defense. Deputy Aldo Rebelo, Communist Party of Brazil (PCdoB), has been mentioned in the media this week as a likely successor. It is uncertain whether Guilherme Cassel, Minister of Agrarian Development, will remain. Two additional appointments are understood to be confirmed but not yet officially announced: Carlos Lupi, head of the Democratic Labor Party (PDT), as Minister of Social Security, and Senator Alberto Nascimento, (Party of the Republic - Amazonas), as Minister of Transportation.

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